EXECUTIVE SUMMARY

Your Company and the Internet

The vast majority of companies (94%) use the Internet for business purposes. Most companies are in the early phase of using the Internet. This means they primarily use the Internet for e-mail, research/information, and web pages. Smaller percentages are in the second and third phase, which involve more advanced Internet applications.

Nearly half of businesses in the survey view the Internet as an opportunity for their business. One-fourth look at the Internet as an opportunity *and* as a necessity. Surprisingly, only small percentages look at the Internet as a necessity for the survival of their business.

Three in four companies have web pages. The same ratio would like to expand their company's use of the Internet. Most companies feel they are average when it comes to the Internet and when they compare their business with other companies. Some feel they are slightly behind the curve when they evaluate their Internet usage.

Uses of the Internet

Many Internet decision makers say they primarily use the Internet to find information, provide customer service, and help customers with information about the company's products and services. Less important uses of the Internet to businesses include the following: to conduct financial transactions, to complete company purchasing online, and to allow customers to purchase company products and services online.

Barriers to Utilization of the Internet

Overall, businesses say they have few barriers keeping them from using the Internet. Businesses are least concerned about the cost of going online and whether the Internet is useful for their needs. Lack of employee expertise or information is of greater importance to them. They are also moderately concerned about security, privacy, and the lack of bandwidth for high-speed Internet access.

Sources of Help for Internet Information

When businesses need help with the Internet, employees on their existing staff are generally considered a significant source of help. Internet Service Providers (ISPs) are another important source of help for Internet information. Some businesses turn to friends/relatives, a trade/industry association, or an Internet consulting company. Businesses rate their local Chamber of Commerce and state government agencies as unlikely sources of information.

Internet Training

Most businesses are somewhat unlikely to attend Internet training courses. Among those who say they are likely to attend Internet training, most say they would be likely to attend the sessions at a community college or university, or through an industry/trade association. Businesses are unlikely to attend Internet training if offered by a state government agency, the Chamber of Commerce, local government, or the Small Business Administration. The majority of businesses agree that affordable help is available to them if they want to expand the use of the Internet for their business.

Online Government Services

Businesses show the most support for online government services such as obtaining government information and motor vehicle registration. There is more support than opposition for the following services: electronic filing and payment of taxes, electronic filing of reports, registering or licensing a business, obtaining or renewing permits, and communicating with government employees. There is division among businesses when it comes to the payment of fees and fines to the government online: half support the service; the other half oppose it.

Outside the business realm, Internet decision makers say they would favor the ability to register to vote, obtain hunting/fishing licenses, and renew drivers licenses online. Support for applying for unemployment insurance, welfare, and health benefits is a more divisive issue.

A majority of respondents would use the Internet for obtaining government services or filing documents if the fees they paid were the same or less. Even if a 50 cent convenience fee were introduced, two-thirds would definitely or probably still use the online government services.

DETAILED ANALYSIS

Question 1   Does your company use the Internet for any business purposes? (N=404)
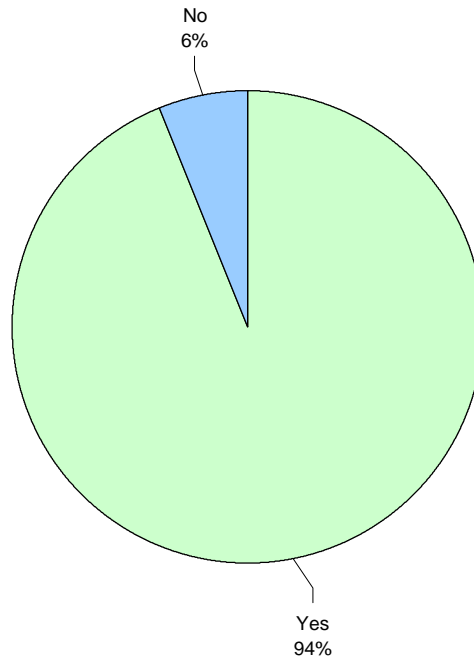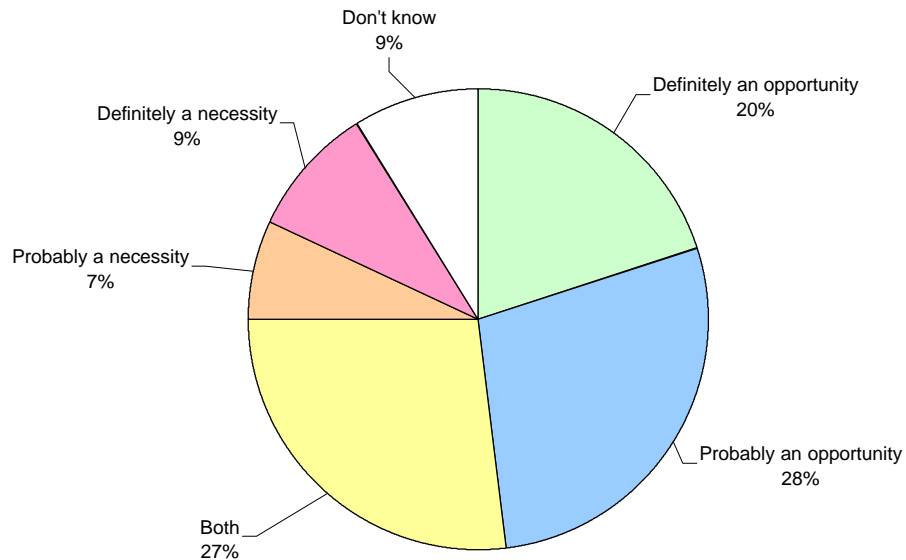

Among respondents, an overwhelming majority (94%) say their company uses the Internet for business purposes. Only a small percentage (6%) of Internet users report that their company does not use the Internet for business purposes.

Question 2   [If yes] For what purposes does your company use the Internet? (N=379)
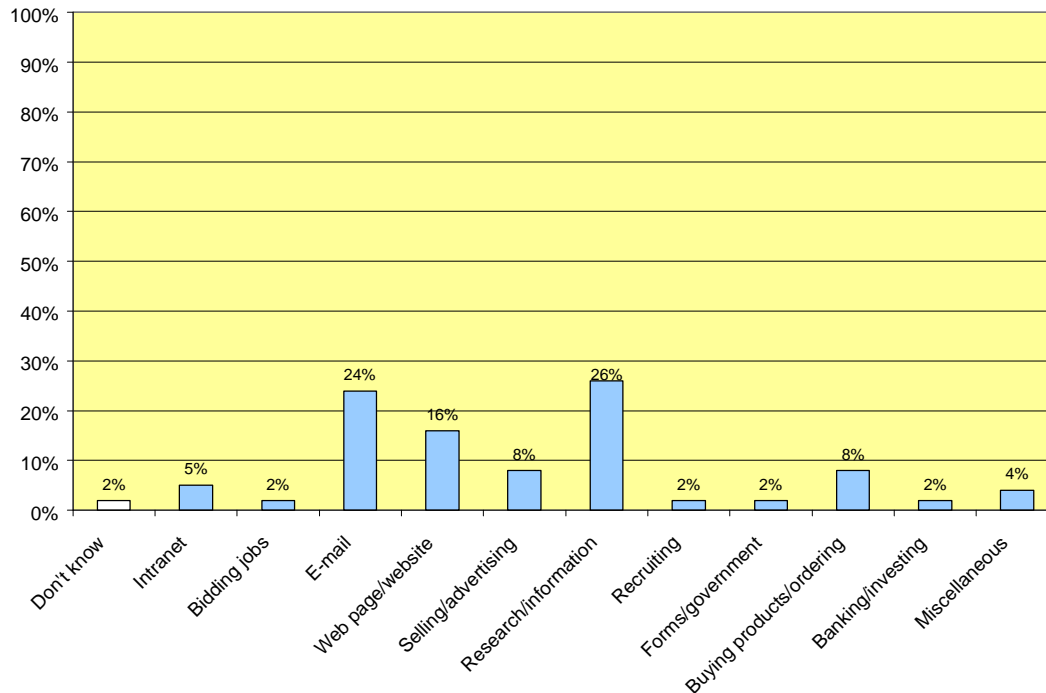

One-fourth (26%) of respondents say they use the Internet for research and information. An additional one-fourth (24%) say they use the Internet for e-mail. A smaller percentage (16%) state that they use the Internet to access a web page. The majority (66%) of companies are in the first phase of Internet usage and experience, such as e-mail, web page development, and research/information. A smaller percentage (16%) of companies are in the second phase of Internet usage, which involves selling/advertising and buying products/ordering. One in ten companies are in the third stage of Internet usage, including Intranet, bidding jobs, recruiting, forms/government, and banking/investing.

Question 3   Do you look at the Internet as an opportunity to improve your business, or as a necessity to your company's survival?

Don't know
9%

Definitely an opportunity
20%

Definitely a necessity
9%

Probably a necessity
7%

Probably an opportunity
28%

Both
27%

Nearly half of respondents (48%) say they look at the Internet as definitely or probably an opportunity to expand their business. One in four (27%) say they view the Internet as an opportunity *and* as a neccessity for their company's survival. Only 16% say they look at the Internet as definitely or probably a necessity for their business.

Question 4   Does your company have a web page?
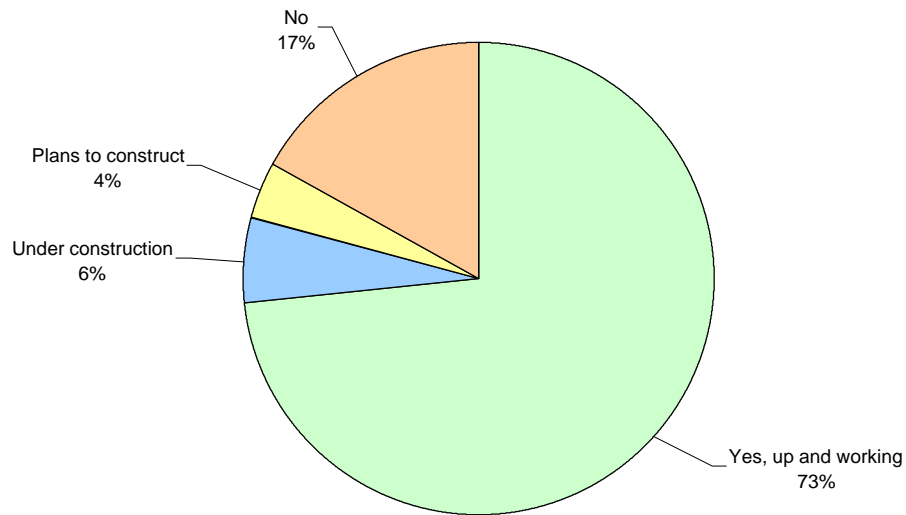
Three in four (74%) companies say they have a web page that is up and working. Ten percent say their company web page is either under construction or they have plans to construct one. Less than one in five (17%) say they do not have a web page.

Question 5   Would you like to expand your company's use of the Internet?
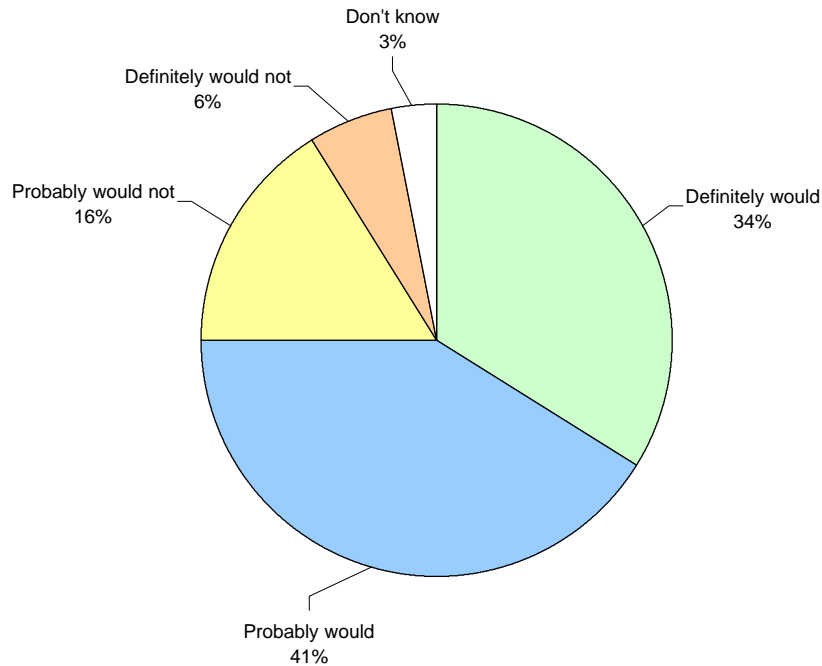

Three in four decision makers say they definitely or probably would like to expand their company's use of the Internet. One in five (19%) say they definitely or probably would not like to expand their company's use of the Internet.

Question 6   [If do not currently use the Internet] Does your company plan to get an Internet connection in the next twelve months? (N=25)

Yes 100%

No 0%

Question 7 **[If do not currently use the Internet] Are there any particular reasons why your company currently does not use the Internet? (N=25)**
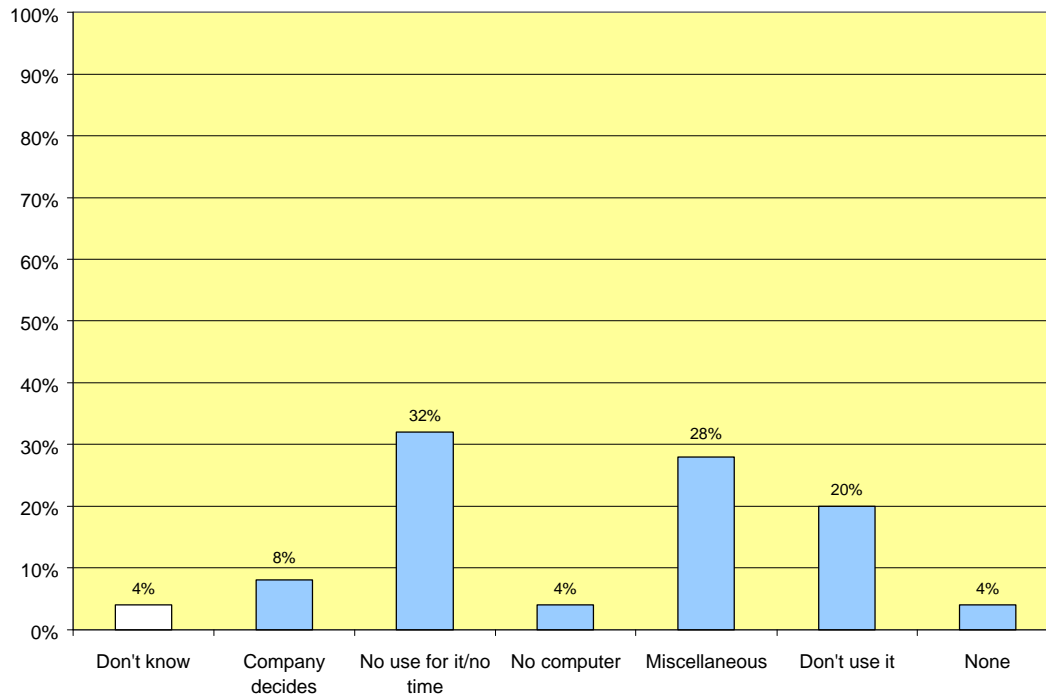

Among companies who do not currently use the Internet, one in three (32%) say they have no use or time for the Internet. One in five state that they don't use the Internet. One in four give miscellaneous reasons why their company does not currently use the Internet.

Question 8 **Compared with other companies, would you say your company is ahead of the curve, about average, or behind the curve when it comes to Internet use? (N=404)**
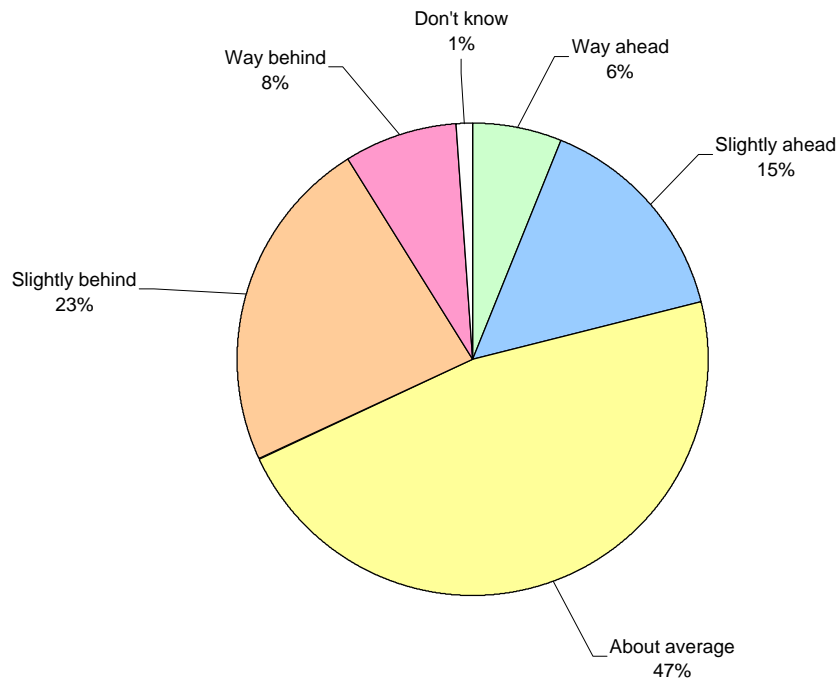
Nearly half of respondents (47%) say their company is about average when it comes to comparing their Internet use with other companies. One in five say their Internet use is way ahead or slightly ahead of the curve. One-third of respondents (31%) believe they are way behind or slightly behind the curve when they compare their Internet use with other companies.

Questions 9-18 How important are the following possible uses of the Internet to your company? Please rate each one on a 1-7 scale, with one meaning the function is not at all important and seven meaning it is a very important use of the Internet.
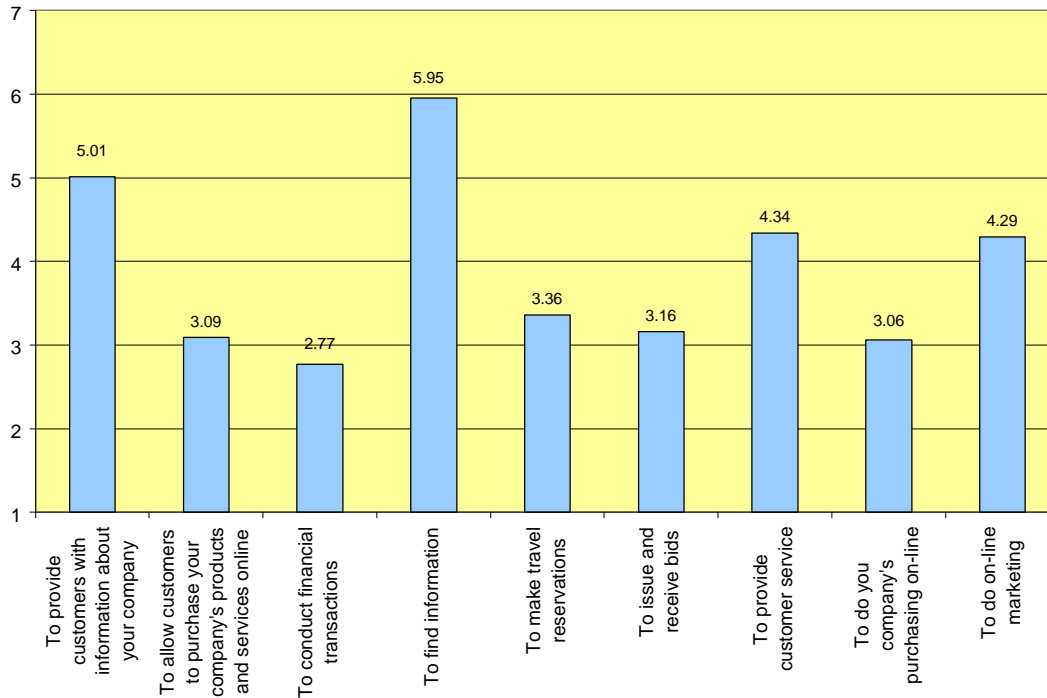

Decision makers say one of the most important uses of the Internet to their company is to find information. Another important function of the Internet, according to respondents, is to provide customers with information about their company's products and services. Respondents rate customer service and online marketing as functionally average. Conducting financial transactions is considered the least important function of the Internet.

- Companies with over ten employees are more likely to provide customers with information about their company over the Internet.

- Businesses in Utah County and "other" counties are less likely to make travel reservations over the Internet.
- Businesses in Weber County are less likely to issue and receive bids over the Internet.
- Companies with fewer than ten employees are less likely to provide customer service (answer customer inquiries, etc.) over the Internet and to do online marketing.

Questions 19-25   Do you consider any of the following items as barriers to your company's utilization of the Internet? [Lower mean scores signify less of a barrier; higher mean scores signify more of a barrier]
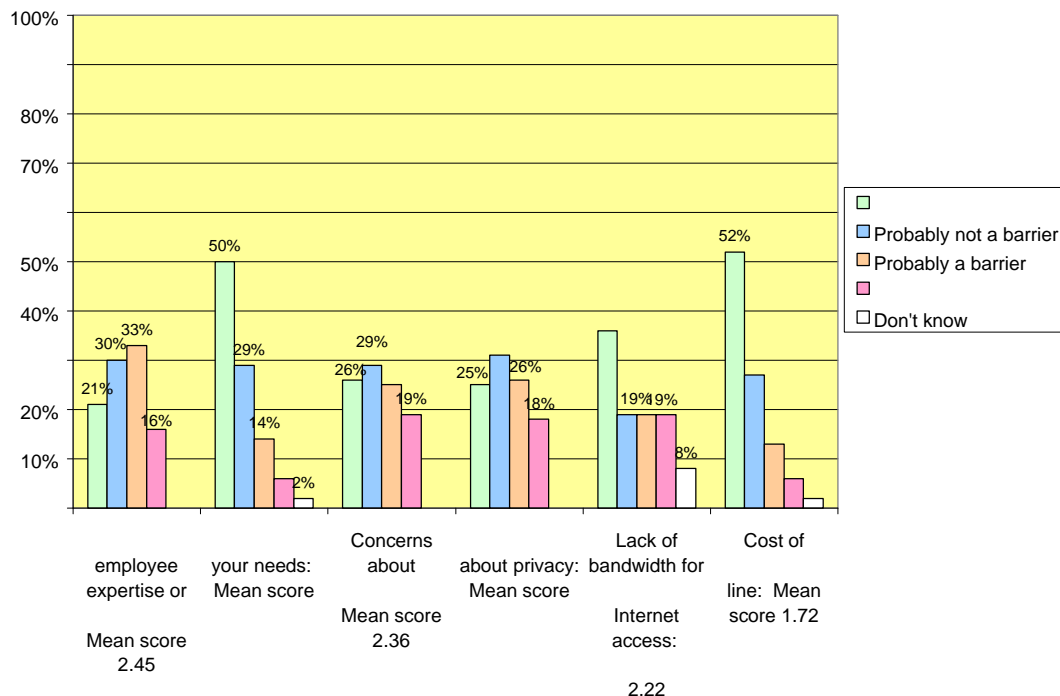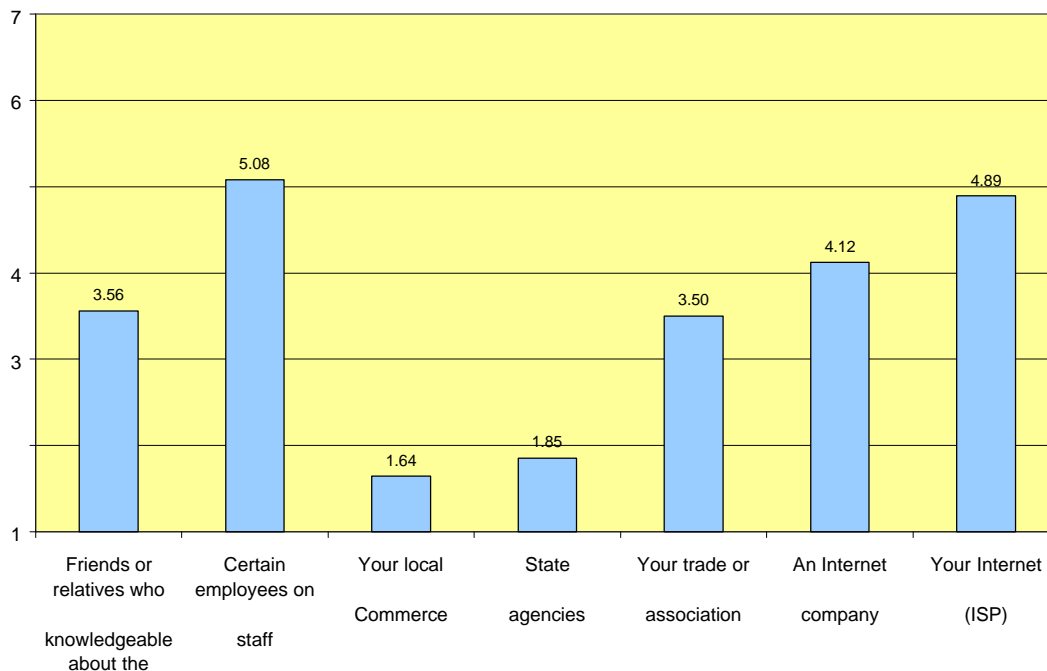

One-third of respondents say that a lack of employee expertise or information is probably a barrier to their company's utiliaztion of the Internet. Concerns about security and privacy are other issues that some respondents feel are a barrier to using the Internet. A majority of those interviewed say the cost of getting online and the usefulness for their needs are definitely or probably not barriers to them.

- Service and "other" businesses are less likely to consider a lack of employee expertise a barrier to their company's utilization of the Internet.

- Wholesale and retail businesses are more likely to consider a lack of employee expertise a barrier to their company's utilization of the Internet.

Questions 26-32   Where (do you/would you) go for help with your company's Internet questions? Please rate each of the following sources on a 1-7 scale, with one meaning not a likely source of help and seven meaning a significant source of help for Internet information: (Numbers below are mean scores).

	5.08					4.89
3.56				3.50	4.12	
		1.64	1.85			
Friends or relatives who knowledgeable about the	Certain employees on staff	Your local Commerce	State agencies	Your trade or association	An Internet company	Your Internet (ISP)

The greatest percentage of respondents say they would go to certain employees on their staff or their Internet Service Provider if they needed help with their company's Internet questions.   Companies say their local Chamber of Commerce and state government agencies are not a source of help they turn to when they have Internet questions. Average sources of help with Internet questions include the following: friends/relatives, trade/industry association, Internet consulting company.


- Retail businesses and those with fewer than ten employees are more likely to seek Internet help from friends or relatives.
- Businesses with fewer than ten employees are more likely to seek Internet help from certain employees on their existing staff.

Questions 33-38   **What is the likelihood of your company attending Internet training, if offered by the following groups? Please rate the likelihood for each one, using a 1-7 scale, with one meaning not at all likely and seven meaning very likely to attend: (Numbers below are mean scores).**
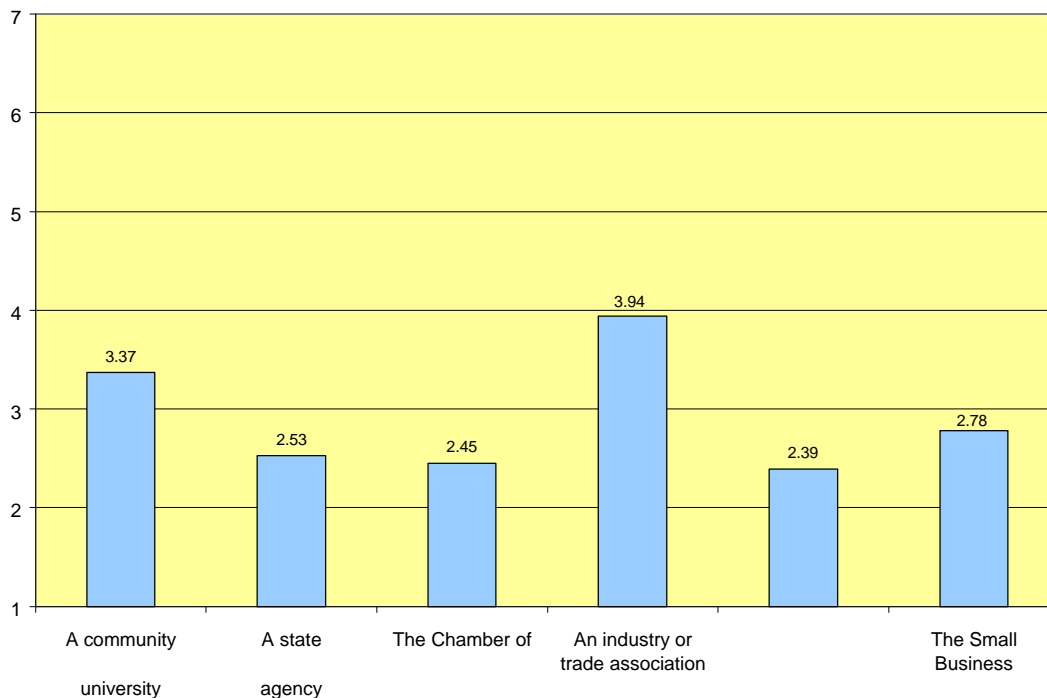

A plurality of respondents say they would be more likely to attend Internet training if offered by an industry or trade association. Respondents would be somewhat likely to attend Internet training if offered by a community college or university. Companies are least likely to attend Internet training if offered by local government, the Chamber of Commerce, and a state government agency.

Question 39   Would you agree or disagree that affordable help is available if you want to expand the use of the Internet for your business?

Strongly disagree
5%

3%

Somewhat disagree

Strongly agree
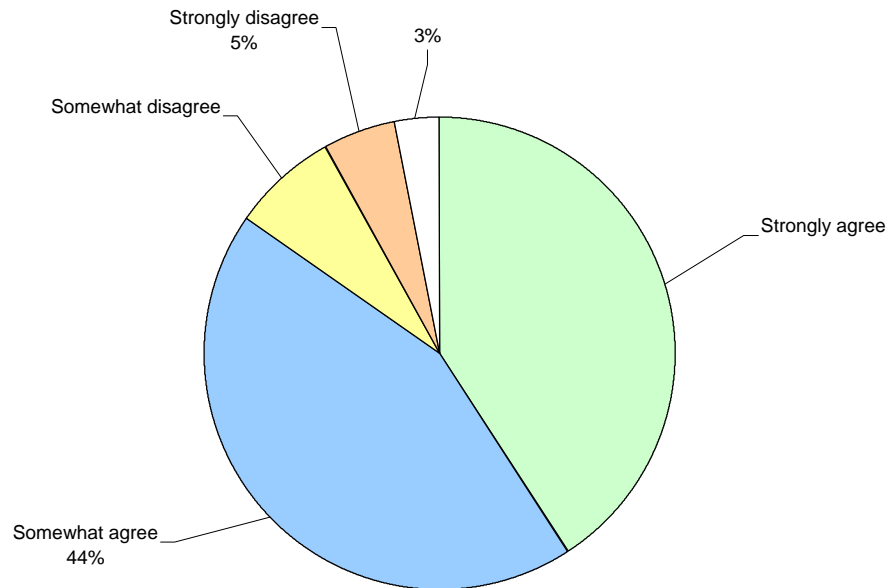
Somewhat agree
44%

Over three in four Internet decision makers say they strongly or somewhat agree that affordable Internet help is available to them. Only 12% say they strongly or somewhat disagree that affordable help is available if they want to expand the use of the Internet for their business.

Questions 40-48   Would your business be interested or not interested in using the following governmental services online:
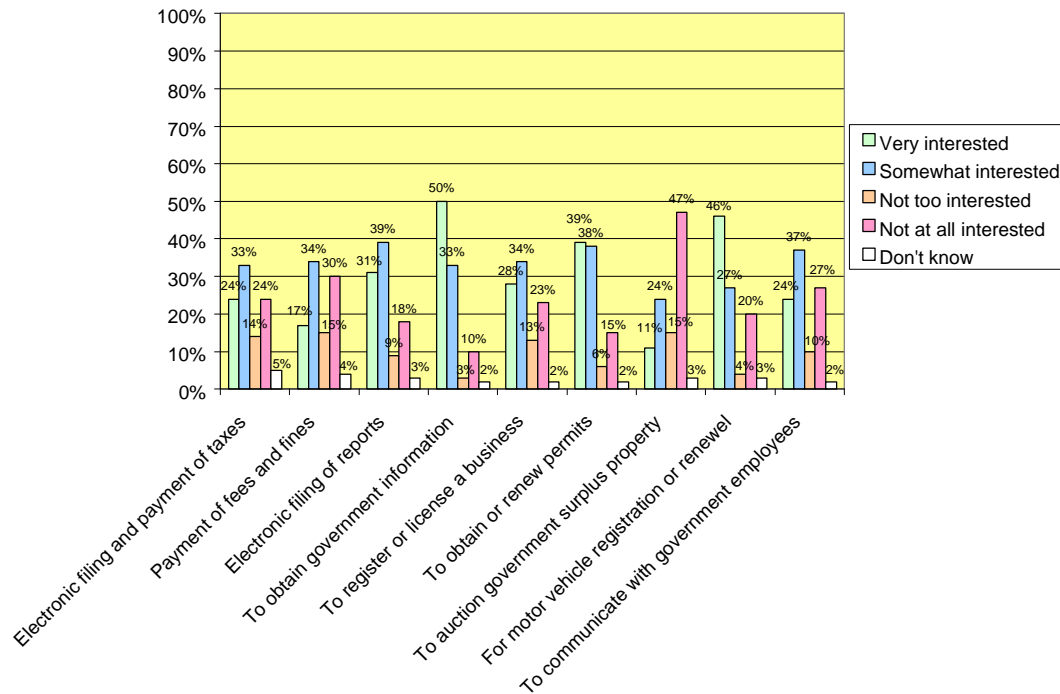

Businesses say they would be most interested in obtaining government information and renewing motor vehicle registration online. Over half of

filing and payment of taxes, payments of fees and fines, electronic filing of reports, register or license a business, obtain or renew permits, and

less interest in the auction of government surplus property. The most divisive response is the payment of fees and fines online.

Questions 49-52 **Even though the following services are not necessarily related to your place of business, would you favor or oppose government providing these serves to Utah citizens online:**
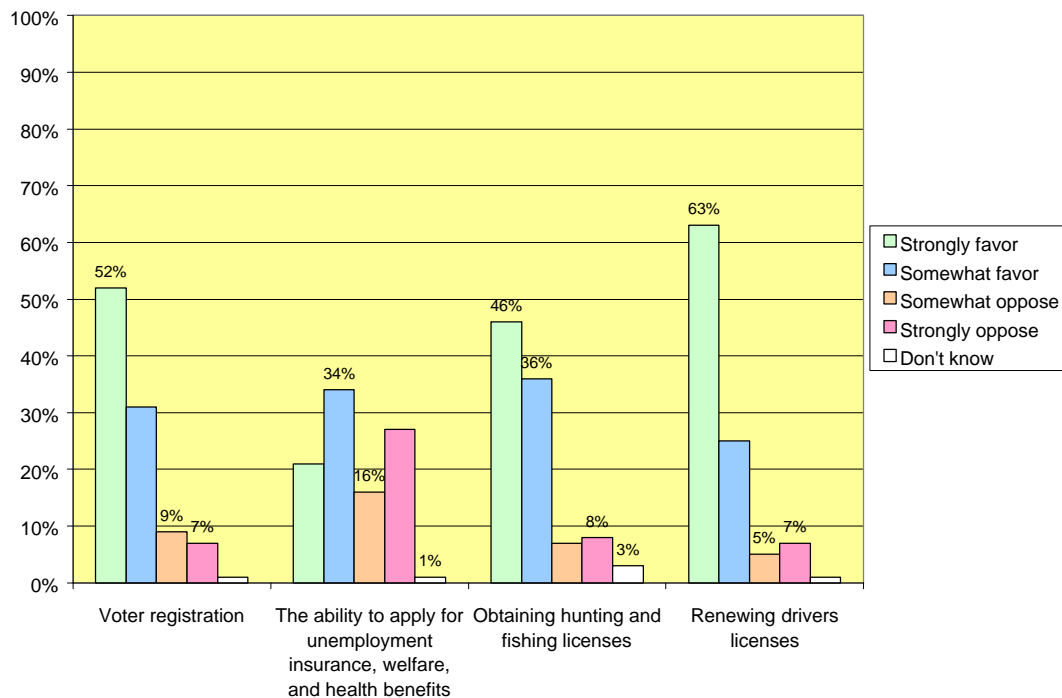
complete voter registration, obtain hunting and fishing licenses, and renew drivers licenses online. Four in five respondents strongly or somewhat favor the

giving Utah citizens the ability to apply for unemployment insurance, welfare, and health benefits online; this proposed service shows a split in respondents'

Questions 53-55   Would you use the Internet for obtaining government services or filing documents, under the following circumstances:
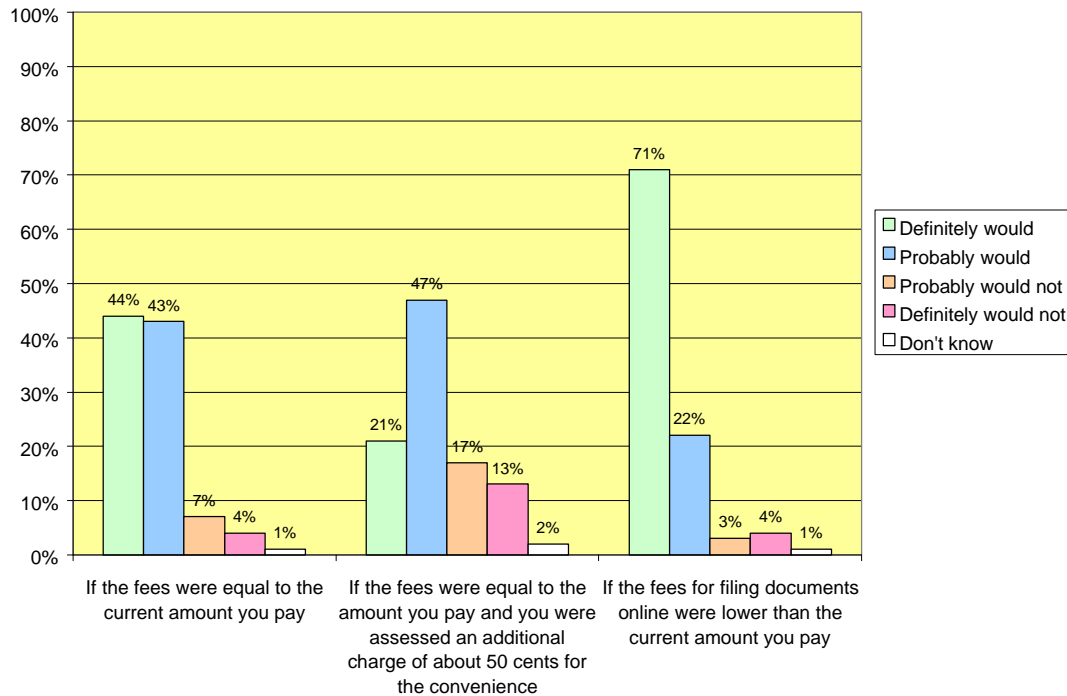

Four in five businesses say they definitely or probably would use the Internet for obtaining government services or filing documents if the fees were equal to the current amount they pay. Support for such programs increases when respondents are asked if they would use the service if the fees were lower than the current amount they pay. Over nine in ten (93%) say they definitely or probably would use the Internet to obtain government services and file documents if they paid less. When respondents are asked about whether they would be willing to pay a 50 cent convenience fee to use these services, support for the program begins to erode. The percentage of those who say they would definitely use the Internet for government related services plunges when the convenience fee is mentioned. Still, even with a 50 cent convenience fee, two-thirds (68%) say they would still be interested in filing documents and obtaining government services online.

Question 56 **Do you sell or provide services to the government, either now or plan to in the next twelve months?**

Don't know
2%

No
51%

Yes
47%
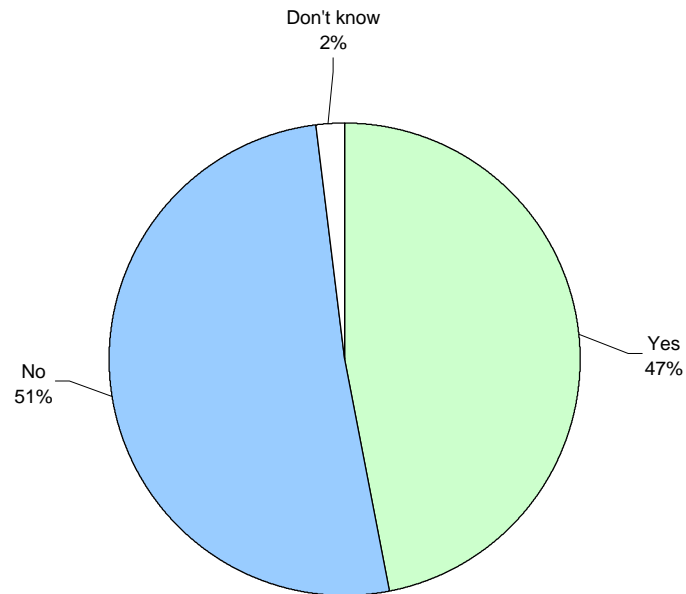
Questions 57-60   [If yes] Would you be interested in the following government services online? (N=189)
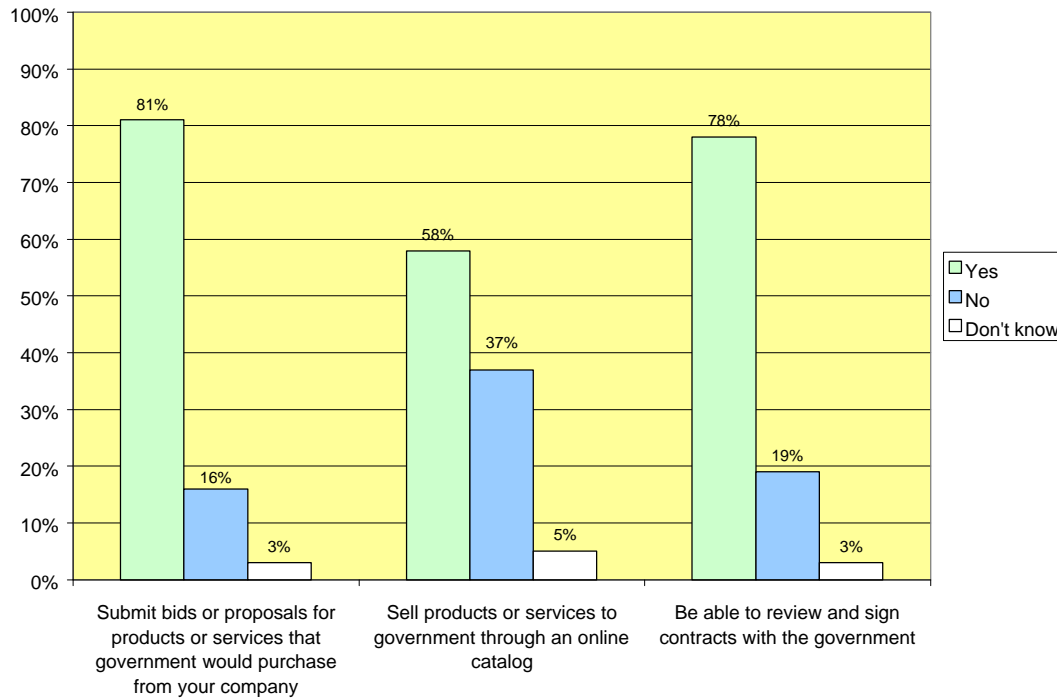
Among those who sell products or provide services to the government, four in five (81%) say they would be interested in submitting online bids or proposals for products or services the government would purchase from their company. A similar percentage (78%) say they are interested in the ability to review and sign contracts with the government online. A smaller, though still significant, percentage (58%) are interested in selling products or services to the government through an online catalog